

# FACT SHEET

OCTOBER 1998

## Social Impact Assessment

### What Is Social Impact Assessment?

Social Impact Assessment (SIA) is a method of analyzing what impact a government action may have on the social aspects of the environment. These aspects include (but are not limited to):

- The ways people cope with life through their economy, social systems, and cultural values.
- The ways people use the natural environment, for subsistence, recreation, spiritual activities, cultural activities, and so forth.
- The ways people use the built environment, for shelter, making livelihoods, industry, worship, recreation, gathering together, etc.
- The ways communities are organized, and held together by their social and cultural institutions and beliefs.
- Ways of life that communities value as expressions of their identity.
- Art, music, dance, language arts, crafts, and other expressive aspects of culture.
- A group's values and beliefs about appropriate ways to live, family and extra-family relationships, status relationships, means of expression, and other expressions of community.
- The esthetic and cultural character of a community or neighborhood—its ambience.

SIA involves characterizing the existing state of such aspects of the environment, forecasting how they may change if a given action or alternative is implemented, and developing means of mitigating changes that are likely to be adverse from the point of view of an affected population.

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### SIAs and the Law

The National Environmental Policy Act (NEPA) is the primary legal requirement for SIA. SIA is done as part of environmental assessments (EAs) and environmental impact statements (EISs) under NEPA and the pertinent Council on Environmental Quality (CEQ) and GSA regulations, orders, and guidelines (40 CFR 1500-1508; ADM 1095.1F; PBS 1095.4C; GSA NEPA Desk Guide). Several of the questions in GSA's Categorical Exclusion Checklist (NEPA Desk Guide: Exh. 5-1) involve social impact issues (Questions A, B, E, F, K).

Section 40 CFR 1508.14 of the CEQ NEPA regulations states that:

*. . . economic or social effects are not intended by themselves to require preparation of an environmental impact statement . . .*

This means that if there are no environmental impacts of any kind other than impacts of an economic or a social nature, an EIS is not required. An EA may be necessary, however, in order to determine whether significant effects of any kind will occur. Economic and social impacts are among those that should be examined in an EA. When an EIS is done, according to Section 40 CFR 1508.14:

*. . . and economic or social and natural or physical environmental effects are interrelated, then the environmental impact statement will discuss all these effects on the human environment.*

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Executive Order 12898 adds weight to the inclusion of SIA in NEPA analyses because it requires special attention to "disproportionate and adverse" impacts on the environmental and health concerns of low income populations and minority populations (see *NEPA Call-In Fact Sheet "Environmental Justice," February 1998*). To understand the concerns of a low-income community or a minority community about perceived environmental impacts, it is necessary to understand something about how the community is organized, and what its belief systems are. Moreover, a GSA action can affect the organization or belief system, and indeed the viability, of a low income or minority community itself, in ways that are disproportionate and adverse.

Other legal authorities relevant to GSA that bear on SIA include:

- ◆ Executive Order 12072, which requires considering social and cultural impacts when giving preference to siting Federal Facilities in centralized community business areas.
- Executive Order 11988, which requires extensive community involvement in decisions regarding siting in or around floodplains.
- The Comprehensive Environmental Response, Compensation and Liability Act, which requires working with affected groups in remediating toxic and hazardous wastes.
- Section 106 of the National Historic Preservation Act, which requires considering the impacts of actions on historic places; such places are often of social and cultural importance to communities.
- The American Indian Religious Freedom Act, the Native American Graves Protection and Repatriation Act, and Executive Order 13007, which collectively require consultation with Indian tribes and Native Hawaiian groups about effects on their cultural values.

## SIA, SA, and SEIA

A *Social Assessment (SA)* is an analysis of the community designed to ascertain how the community is organized, how its people relate to one another, how decisions are made, and other factors. These data can help GSA anticipate issues and establish effective ways to resolve them. The SA describes current conditions, but, unlike SIA, it does not attempt to forecast outcomes if things change.

A *Socioeconomic Impact Assessment (sic: SIA)* involves looking at economic and sometimes other quantifiable data to estimate how these variables may be affected by a project or alternative. Although the Socioeconomic Impact Assessment and Social Impact Assessment can have the same acronym (SIA), they are not interchangeable.

Socioeconomic Impact Assessment (SEIA) is one kind of SIA, and may be an important part of SIA, but it seldom is sufficient in itself to assess impacts on the social environment. Many important aspects of the social environment are not strictly economic, or even quantifiable. For example, the way people feel about the natural environment in which they live may be of critical importance to the identity of their community, but this kind of feeling is not something that can be counted.

## Essentials of SIA

Many of the following guidelines are based on the *Guidelines and Principles for Social Impact Assessment*, developed by an inter-organizational committee of experts in the field (Inter-organizational Committee; NOAA 1994). The full text of the *Guidelines and Principles* is available from NEPA Call-In.

### Principles

The *Guidelines and Principles* outline the following as the "principles" that should structure any SIA.

1. *Involve the diverse public.* Since SIA is all about determining and addressing the concerns of the public, public involvement is essential. Public involvement should be an active and interactive process, in which members of the public are full participants in the SIA enterprise. The word "diverse" is important, too. It is essential that all potentially affected segments of the public have opportunities to participate. One aspect of SIA—social assessment—involves determining who the affected segments of the public are, and how they are organized. Public involvement must reach out to groups that do not routinely participate in government decision making because of cultural, linguistic, and economic barriers (see *NEPA Call-In Fact Sheet "Public Participation in NEPA Review," February 1998*).

2. *Analyze impact equity.* A basic part of SIA is to analyze who wins and who loses with each alternative considered. Under Executive Order 12898, it is especially important to analyze whether an alternative may have high and disproportionate adverse environmental or health effects on a low-income population or a minority population (see *NEPA Call-In Fact Sheet "Environmental Justice"*). Impact equity must be considered in close and sympathetic consultation with affected communities, neighborhoods, and groups, especially low-income and minority groups. Analysis should begin during scoping to ensure that important issues are not left out.

3. *Focus the assessment.* This is a matter of scoping. In the words of the *Guidelines and Principles*, SIA should take into account "concerns that really count, not those that are just easy to count." Scoping should seek to ascertain what issues are really important to affected communities and groups. The analysis should not focus only on economic issues or demographics or effects on city services because these are easy to quantify.

4. *Identify methods and assumptions.* The SIA must report the assumptions on which it is based, and describe methods employed.

5. *Define significance.* An SIA should discuss how the significance of a social variable or an impact is represented. In one case, emphasis may be given to impacts on agricultural land use and life style, while in another it may be given to impacts on small family-owned businesses in the vicinity of the project. There are obviously reasons for regarding one variable as more significant than another in a given case; these reasons need to be made explicit. Similarly, the reasons for considering one kind of impact to be more significant than another must be defined. The measures of significance derived from Section 40 CFR 1508.27 of the CEQ regulations (see *NEPA Desk Guide Chapter 6*) can be used to some extent to do this, but need to be adapted for relevance to social issues.

6. *Provide feedback to project planners.* An SIA should not be something a consulting firm does by itself, producing a final deliverable without prior client involvement. There should be active feedback between the SIA contractor and GSA planners throughout the assessment and planning processes. These processes should be carefully coordinated so that planners can be apprised of potential problems and opportunities before it is too late to do anything about them.

7. *Use SIA practitioners.* Trained social scientists, using appropriate professional methods, will provide the best results. Generally speaking, such practitioners include cultural anthropologists, sociologists, cultural geographers, and members of related professions. However, practitioners of other disciplines (e.g., economics, social history) may be effective social impact analysts if they have the right interests and training. On the other hand, some anthropologists and sociologists have no aptitude whatever for SIA. Selecting an SIA practitioner requires a close look at both training and experience, and seeking a good "fit" between the analyst and the issues to be analyzed.

8. *Establish monitoring and mitigation programs.* An SIA should not only provide GSA with an analysis of impacts, but also the basis for setting up programs to mitigate social impacts and monitor how these programs work.

9. *Identify data sources.* As a matter of good practice, an SIA should identify the sources upon which the analysis is based. In some cases, community groups may desire confidentiality, and such desires should be accommodated to the extent practicable and consistent with law (c.f. Section 304 of the National Historic Preservation Act where historic properties are involved). If confidentiality cannot be guaranteed, informants should be told as much, and given

the opportunity not to provide information, or to provide it in abridged form.

10. *Plan for gaps in data.* No SIA collects all the data that might be desirable. An SIA should honestly identify gaps in its database—information that probably exists but that cannot be gathered, or questions and uncertainties about the data. In consultation with project planners, the SIA analyst should assess how critical the data are, and either develop strategies for obtaining them or establish ways to proceed toward a good decision without them.

## Variables

What variables are examined in SIA? In any given case, this will depend on the results of scoping, and adjustments may have to be made as the analysis proceeds. New variables may be found to be important, and some initially thought to be important may be found to be of less significance. Generally, the following are key variables to address:

1. *Population characteristics.* What is the current structure and organization of the potentially affected population? Is it stable or changing? Are there ethnic, economic, or social group distinctions within it? How are wealth, poverty, employment, and levels of income distributed through the population? How are people employed? How many and what kinds of people are unemployed, and in what kinds of activities (particularly those that may be affected by the action under review)? Are there seasonal changes, or other kinds of influx and outflow? What effects may the alternative action have on these factors?

2. *Community and institutional structure.* How are the affected communities organized, both explicitly (through systems of government, etc.) and informally (through voluntary associations, interest groups, etc.)? What are the employment and economic dimensions of each group? Are there existing economic, social, or cultural inequities among groups based on ethnicity or other factors? What experience do the various groups have with change? How are they linked (if at all) with regional and national organizations? Are they affected by local planning and zoning? What changes in these variables may be caused by the alternative action?

3. *Political and social resources.* How are power and authority distributed in the community, both formally and informally? Who are the relevant stakeholders? What are their interests? How do they organize and exercise power internally and externally? How do they react, or are they likely to react, to the alternative action?

4. *Individual and family factors.* What factors influence the daily lives of potentially affected members of the community? What are the patterns of family, friend, and acquaintance relationships? How stable is the pattern of residence? Do people in different groups feel that they currently have a

satisfying way of life? Are they concerned about what the proposed action would do to their way of life, or interested in possibilities for improvement? What attitudes do people have toward risk, health, safety, and toward the proposed alternative? What values do they ascribe to the environment? Are they concerned about displacement or relocation, if this is perceived to be a possible result of the alternative? Do they trust their political and social institutions to handle change?

5. *Community resources.* How do people use the land, whether urban or rural? How do they use the natural environment? Are there subsistence uses? Spiritual uses? Recreational uses? Are there conflicts among any of these uses? Are there Native American (or other) sacred sites, or religious uses of the natural environment? Are there culturally valued neighborhoods, shopping areas, recreational areas, or gathering places? Are there culturally valued patterns of social interaction—clubs and other informal groups? Are there valued historic places, archeological sites, or collections of historical artifacts or documents? How available are housing and community services like police protection, water, sewer service, electricity, schools, libraries, and computer access facilities? How will the proposed action affect any of these variables?

## Methods

Particularly with regard to relatively small, uncomplicated actions (e.g., leasing in an existing building), if SIA is needed at all it can be done relatively quickly, based on existing documents and data from easily available government, library, institutional, and internet sources and brief consultation with knowledgeable parties. The more complicated the project or its likely effects, in general, the fuller the SIA needs to be.

Every SIA involves background research into what is known about the community—its size, social, educational, economic and ethnic makeup, and expressed cultural values and concerns. Consultation with experts is also usually needed.

Since the social and cultural aspects of the environment, and their values, exist largely in people's minds, interaction with affected communities and groups is essential. There are many methods of interacting with people and groups to learn about their society. A systematic interview program, working with group leaders, and participant observation (in which the analyst lives as part of the community while studying how it works) are among the methods that can be employed.

The choice of methods will necessarily reflect available time and funds, but it should also reflect the kind of

community that is subject to effect, and what experts think are likely to be that community's social concerns.

## Typical Steps in the SIA

Although every project, and every SIA, is unique, in most cases there is a series of more or less standard steps through which the analysis must proceed in order to achieve good results.

### Step 1: Develop an effective public involvement plan, so that all affected interests will be involved.

The level of public participation needed varies with the nature of the action under review. On a complicated project, a social assessment (SA) may be useful at the outset to establish the general character of the community, define the potentially affected groups, and determine enough about them to know how to involve them. In a simpler case, merely consulting with local leaders and experts may be sufficient to obtain the critical data on which to build a public involvement program (for guidelines see NEPA Call-In Fact Sheet "Public Participation in NEPA Review," February 1998)."

### Step 2: Identify and characterize alternatives.

Alternatives are developed based on the purpose and need for the action, but the SIA analyst needs to consider what they are and obtain sufficient data on each to frame the analysis. The *Guidelines and Principles* identify the following as basic information about each alternative needed for SIA:

- Locations
- Land requirements
- Needs for ancillary facilities (roads, transmission lines, utilities, etc.)
- Construction or implementation schedule
- Size of the work force (construction and operation, by year or month)
- Facility size and shape (if a facility is involved)
- Need for a local work force
- Institutional resources

### Step 3: Define baseline conditions.

Having established a means of working with the public, and obtained basic data on each alternative, the analyst now tries to define the pertinent existing conditions in each potentially affected area—that is, the affected social environment. The analyst seeks answers to questions like:

- What populations may be affected? Are they concentrated or dispersed?
- How does each population relate to the natural or built environment?
- What is the historical background of each population?
- What are the political and social resources, power structure, and networks of relationship in each group?
- Are there low-income or minority populations involved? Do they have special needs?

- What kinds of cultural and attitudinal attributes characterize each group? How do they feel about political and social institutions? How do they relate to the environment? To change?
- What are the relevant demographic and economic characteristics? Is there significant unemployment or underemployment? Is housing available? Access to utilities? Education? Transportation? Are there seasonal or other patterns of in-migration and out-migration?

At a minimum, this kind of information should be developed based on existing literature, government documents, and consultation with experts and the community. For a more complicated project, formal studies may be needed.

#### **Step 4: Define the scope of the effort.**

Like any other study, an SIA must be scoped to make sure it is focussed on the right things, and that the right methods are employed. Scoping must be carried out in consultation with the affected groups and through the public participation process. Factors to consider in establishing the scope include:

- Probability that an event will occur
- Number of people potentially affected
- Duration of potential impacts
- Values of benefits and costs to affected groups
- Potential for reversibility or mitigation
- Likelihood of subsequent impacts
- Relevance to decisions
- Uncertainties over probable effects
- Controversy

#### **Step 5: Project probable impacts.**

Based on the scope, the actual analysis begins by seeking to project the likely effects of the action, given what is known about the alternatives under consideration and about the character of the affected populations and areas. Analysis typically involves the study of data provided by the agencies involved (GSA, its customers, etc.), records of previous experience with similar actions or similar populations, census data and other vital statistics, documents and secondary sources, and field research involving interviews, meetings, surveys, and observation.

There are a number of ways of projecting impacts. Which is best in a given circumstance depends on factors like the scope of the action, the area where it occurs, and the availability of pertinent data. Projection methods include:

- *Comparative*: comparing with similar actions and their effects
- *Straight-line trend projection*: taking an existing trend and projecting it into the future

- *Population multiplier*: for actions involving increase or decrease in given populations; each unit of change in a given population implies change in other variables such as housing and use of natural resources
- *Scenarios*: generate logical or data-based models and play them out
- *Expert advice*: obtain the thoughts of experts about likely scenarios or changes
- *Calculation of "futures foregone"*: for example, the future of small minority-owned businesses in a community if the proposed action does NOT take place
- *Computer modeling*: useful with any of the above approaches

#### **Step 6: Predict responses to impacts.**

Given what we know about the potentially affected groups, and the kinds of impacts we predict, what will be the likely response? Will a group be highly influenced by what its leaders think, and will the leaders be positive or negative about the project? Are there ways for the population to adapt in place, or is it likely to relocate? Can a group continue to carry out its valued ways of life, or will they be irrevocably lost?

#### **Step 7: Consider indirect and cumulative impacts.**

Actually this is not a "step" in the analytic process as much as it is an aspect of several steps. Many, perhaps most, social impacts are not direct; they may occur well after the action is taken, and possibly in areas distant from the project. And cumulative effects can be of critical importance. Many populations, especially indigenous groups, are severely at risk of cultural extinction due to a variety of pressures, and a given project may be all it takes to push the group "over the edge."

#### **Step 8: Recommend new alternatives as needed and feasible.**

As serious impacts are identified, consider what alternatives might alleviate the problems, and work with the project managers and affected groups to determine whether these can be pursued. Be sure to analyze the social and other environmental impacts of alternatives. Where there is contention, mediation may be very helpful in resolving disputes about which alternatives should be considered or selected.

#### **Step 9: Develop a mitigation plan.**

Work with project managers and affected groups to establish ways to mitigate social effects, and put this plan forward in pertinent review documents like EAs and EISs. Make sure these are reflected in Findings Of No Significant Impact (FONISs) and records of decision (RODs), and in documents required under other authorities like Section 106 of NHPA. Establish monitoring programs to make sure that mitigation actually occurs.

## Contracting for the SIA

### Recommendations

In scopes of work (SOWs) for NEPA analyses, contractors should be explicitly tasked with completing an SIA if scoping has indicated that such analysis is needed. If a contract is let before scoping is done, the contractor should be tasked (among other things) with helping GSA determine the need for the SIA during the scoping process, and with helping design its form and content.

SOWs should cite specific quality standards and guidelines, such as the *Guidelines and Principles*, this fact sheet, or one of the references cited at the end of this fact sheet.

SOWs should provide for continuing feedback between GSA and the contractor.

SOWs should require supervision of the SIA by qualified practitioners.

### Model SOW Element

The following model assumes a project on which GSA is contracting for assistance in preparing an EA, and in which there is some indication that an SIA may be needed. Language along the following lines might be adapted for use in the SOW for such work.

#### Scope of Services

The contractor shall provide all professional services necessary to perform the work specified below:

- Assist GSA in determining whether the social impacts of the proposed action, including alternatives, may be such as to require either completion of an EIS or inclusion of mitigation measures in a FONSI. Anticipated work needs include:
  - Background research into the history, demographics, economics, and sociology/ethnography of the areas subject to direct, indirect, and/or cumulative impacts.
  - Consultation with representatives of the City and County planning departments and with experts

identified through consultation with the planning departments and GSA.

- Organizing public participation in the work.
- Developing a detailed scope for subsequent analysis, subject to GSA approval.
- Defining baseline social conditions with respect to each alternative.
- Projecting the probable social impacts of implementing each alternative, including indirect and cumulative impacts.
- Predicting the responses of affected groups and communities to such impacts.
- Recommending new alternatives if any possible such alternatives emerge from the study.
- If it appears that an EA and FONSI will be appropriate, but that mitigation is needed in order to keep social impacts at non-significant levels (with reference to the significance measures at 40 CFR 1508.14), providing recommendations for mitigation and monitoring.

The contractor shall:

- Meet every other week with the Contracting Officer's Representative and project planners, and more often if necessary, to review progress and provide recommendations to one another about both the study and project planning, including consideration of new alternatives and potential problems with and responses to social impacts.
- Ensure that the social impact assessment aspect of the work is fully coordinated with consideration of impacts on other sociocultural aspects of the environment, including (but not limited to) historic preservation and economics.
- Ensure that all social impact assessment work is supervised by a qualified sociologist or sociocultural anthropologist with demonstrated experience in the analysis of social impacts.
- Ensure that all social impact assessment work is consistent with accepted professional standards, including (but not limited to) the *Guidelines and Principles for Social Impact Assessment* (c.f. NOAA 1994).

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